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Arizona Corporation Commission

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AZ 2007 COMMISSION  
SECRET CONTROL

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Attorneys for Northern Sunrise Water Company  
and Southern Sunrise Water Company

**BEFORE THE ARIZONA CORPORATION COMMISSION**

IN THE MATTER OF THE APPLICATION OF  
NORTHERN SUNRISE WATER COMPANY  
FOR A CERTIFICATE OF CONVENIENCE  
AND NECESSITY TO PROVIDE WATER  
UTILITY SERVICE IN COCHISE COUNTY,  
ARIZONA.

DOCKET NO. W-20453A-06-0247

IN THE MATTER OF THE APPLICATION OF  
SOUTHERN SUNRISE WATER COMPANY  
FOR A CERTIFICATE OF CONVENIENCE  
AND NECESSITY TO PROVIDE WATER  
UTILITY SERVICE IN COCHISE COUNTY,  
ARIZONA.

DOCKET NO. W-20454A-06-0248

IN THE MATTER OF THE JOINT  
APPLICATION OF NORTHERN SUNRISE  
WATER COMPANY AND SOUTHERN  
SUNRISE WATER COMPANY FOR THE  
APPROVAL OF SALE AND TRANSFER OF  
WATER UTILITY ASSETS, AND  
CANCELLATION OF CERTIFICATES OF  
CONVENIENCE AND NECESSITY, FOR  
MIRACLE VALLEY WATER COMPANY,  
COCHISE WATER COMPANY, HORSESHOE  
RANCH WATER COMPANY, CRYSTAL  
WATER COMPANY, MUSTANG WATER  
COMPANY, CORONADO ESTATES WATER  
COMPANY, AND SIERRA SUNSET WATER  
COMPANY, LOCATED IN COCHISE  
COUNTY, ARIZONA.

DOCKET NOS. W-20453A-06-0251  
W-20454A-06-0251  
W-01646A-06-0251  
W-01868A-06-0251  
W-02235A-06-0251  
W-02316A-06-0251  
W-02230A-06-0251  
W-01629A-06-0251  
W-02240A-06-0251

**COMPLIANCE WITH DECISION  
NO. 68826**

Pursuant to Decision No. 68826 (June 29, 2006), Northern Sunrise Water Company  
and Southern Sunrise Water Company ("Applicants") hereby submit this compliance

1 filing for amended Certificates of Convenience and Necessity ("CC&N").

## 2 BACKGROUND

3 1. Decision No. 68826 ("Order") requires Applicants to make certain filings by  
4 December 31, 2007, to amend their respective CC&Ns to include those customers who are  
5 being served outside the CC&Ns as a result of unauthorized extensions by the previous  
6 owner of the McLain Systems.<sup>1</sup> The Order also allows Applicants to include areas where  
7 service is not being rendered, but that are otherwise reasonable and logical based on the  
8 individual circumstances.

9 2. The Order recognizes that until the applications are filed, the Commission is  
10 unable to determine whether it can merely update the Applicants' respective CC&N maps  
11 without additional hearings or proceedings. Order at ¶ 106. The Order further provides  
12 that the CC&N filings may include properties that are not currently receiving service but  
13 which should "logically be included within" the Applicants' respective service  
14 boundaries. *Id.*

15 3. Applicants contend that this filing requires only an administrative review of  
16 the applicable maps and legal descriptions to determine two core issues: (1) that service  
17 has already been established in the Applicants' proposed amended areas; and (2) the  
18 inclusion of areas where service is currently not being provided is reasonable and logical,  
19 and is therefore in the public interest. Based on the information provided herein, the  
20 amended CC&Ns should be approved.

21 4. This filing should not be used by any party to address any issue other than  
22 the two core issues identified above. Therefore, Applicants contend that in the absence of  
23 any relevant objections after written public notice, this compliance filing should be  
24 approved without a hearing.

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25 <sup>1</sup> The McLain Systems included Miracle Valley Water Company, Cochise Water Company, Horseshoe Ranch Water  
26 Company, Crystal Water Company, Mustang Water Company, Coronado Estates Water Company, and Sierra Sunset  
Water Company.

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## COMPLIANCE

5. In support of this compliance filing, Applicants state as follows:

6. Applicants are public service corporations engaged in providing water for public purposes within portions of Cochise County, Arizona. Applicants were first granted their CC&Ns in Decision No. 68826 (June 29, 2006). Northern Sunrise Water Company ("Northern") currently serves approximately 330 water utility customers. Southern Sunrise Water Company ("Southern") currently serves approximately 800 water utility customers. The areas served by Applicants contain both residential and commercial properties.

7. A complete legal description and related maps for the proposed Northern amended area is attached hereto as Exhibit 1. The proposed Northern amended area includes approximately three (3) whole sections of land (minus the area already within Northern's CC&N) and 30 existing customers.

8. As depicted on the maps included in Exhibit 1, the proposed Northern amended area is the logical extension of Northern's existing CC&N because it contains water distribution and supply facilities that Northern acquired from Crystal Water Company and Mustang Water Company. These facilities are currently being used to provide water service to customers outside Northern's CC&N.

9. A complete legal description and map for the proposed Southern amended area is attached hereto as Exhibit 2. The proposed Southern amended area includes approximately six (6) whole quarter sections of land and 41 existing customers.

10. As depicted on the map included in Exhibit 2, the proposed Southern amended area is the logical extension of Southern's existing CC&N because it contains water distribution and water supply facilities that Southern acquired from Horseshoe Ranch Water Company and Miracle Valley Water Company. These facilities are currently being used to provide water service to customers outside its CC&N. Only 1

1 quarter section of land (NE corner of Section 17, Township 21E, Range 23S) included in  
2 the proposed Southern amended area does not presently contain water distribution mains  
3 or supply. However, Southern asserts that inclusion of this area is logical and reasonable  
4 because there are considerable existing water facilities contiguous to the north and west of  
5 this quarter section, and that if not included in this filing, would be contiguous to the  
6 amended CC&N on its northern, western and southern boundaries.

7 11. The proposed Northern and Southern amended areas do not include the  
8 service territory of any other public service corporation, water improvement district or  
9 other political subdivision of the state. Section 12 (T19E, R20S) in the Northern amended  
10 area is adjacent to the service area of the Whetstone Water Improvement District along its  
11 eastern boundary, and contiguous to the southwest corner of Section 6 (T20E, R20S),  
12 which is located within Sulger Water Company's CC&N. The Southern amended area is  
13 contiguous at certain areas to Bella Vista Water Company and Southland Utilities  
14 Company, Inc. East Slope Water Company's CC&N is contiguous to Southern's existing  
15 CC&N at certain areas. These other water providers and their respective CC&Ns or  
16 service areas are identified on the maps included in Exhibits 1 and 2.

17 12. In its Order, the Commission expressed its belief that Northern and/or  
18 Southern could merely update their respective CC&N boundaries by this Application  
19 "without a hearing if no interested party after notice requests such a hearing." Order at  
20 ¶ 106. However, the Order is unclear concerning the type and method of notice required.  
21 Therefore, Applicants request that the Commission's hearing division promptly schedule a  
22 procedural conference to address how public notice will be provided.

23 13. Applicants recognize that by requiring notice, the Commission intended to  
24 provide all affected persons an opportunity to be heard on the reasonableness and logic of  
25 including properties within the proposed amended areas. However, any request for a  
26 hearing should be limited to the two core issues identified herein: (1) that service has

1 already been established in the Applicants' proposed amended areas; and (2) the inclusion  
2 of areas where service is currently not being provided is reasonable and logical, and is  
3 therefore in the public interest. The inclusion of other issues (*e.g.* current moratorium on  
4 new hook-ups, or any proposed system repairs and improvements) will unduly broaden  
5 the scope of this proceeding. In traditional CC&N proceedings, developers pay for the  
6 administrative, legal and engineering costs associated with the requested expansion.  
7 However, in this matter the Applicants (and its ratepayers) are paying the costs associated  
8 with this compliance filing. Therefore, a limited review of the core issues is warranted  
9 and in the public interest.

10 14. In its Order, the Commission states that "Depending on the location and  
11 circumstances of these customers, the Commission may be able to amend the CC&Ns  
12 without a hearing, however, only Applicants' future filing will give us sufficient  
13 information to make that determination." *Id.* By this filing, Applicants assert that they  
14 have provided sufficient information for the Commission to conclude that amending their  
15 CC&Ns to include the proposed areas is in the public interest, and unless an affected party  
16 can provide a relevant basis for holding an evidentiary hearing, this matter should be  
17 approved without one.

18 WHEREFORE, Applicants respectfully request the following:

19 A. That the Commission proceed to consider and act upon this compliance  
20 filing as timely as possible and to schedule a procedural conference to determine the  
21 method and scope of public notice required;

22 B. That in the absence of any relevant objections by any affected person(s)  
23 after public notice is provided, the Commission enter an order amending Applicants'  
24 CC&Ns to include the proposed amended areas as set forth in the legal descriptions and  
25 illustrated maps contained in Exhibit 1 and Exhibit 2; and  
26

1 C. That the Commission grant such other and further relief as may be  
2 appropriate under the circumstances herein.

3 RESPECTFULLY SUBMITTED THIS 2nd day of January, 2008.

4 FENNEMORE CRAIG, P.C.

5  
6 By: 

7 Jay L. Shapiro  
8 Patrick J. Black  
9 Suite 2600  
10 3003 North Central Avenue  
11 Phoenix, Arizona 85012  
12 Attorneys for Northern Sunrise Water Company  
13 and Southern Sunrise Water Company

14 **ORIGINAL and 17 copies filed**  
15 this 2nd day of January, 2008 to:

16 Docket Control  
17 Arizona Corporation Commission  
18 1200 West Washington Street  
19 Phoenix, Arizona 85007

20 **Copy sent via e-mail and U.S. mail**  
21 this 2nd day of January, 2008 to:

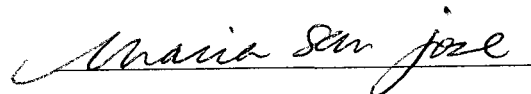
22 Jane L. Rodda, ALJ  
23 Hearing Division  
24 Arizona Corporation Commission  
25 400 W. Congress St.  
26 Tucson, AZ 85701

**Copy hand delivered**  
this 2nd day of January, 2008 to:

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Phoenix, AZ 85007

Kimberly Battista, Compliance Manager  
Utilities Division  
Arizona Corporation Commission  
1200 W. Washington St.  
Phoenix, AZ 85007



2013922.1/20898.001

# **Exhibit 1**

## **Northern Sunrise Water Company - Proposed Amended Area**

- Township 20 South, Range 19 East, G. & S.R.M., Cochise County, Arizona

The Northwest 1/4; the West 1/2 of the Northeast 1/4, the West 1/2 of the East 1/2 of the Northeast 1/4, and the East 1/2 of the Northeast 1/4 of the Northeast 1/4; the West 1/2 of the Southeast 1/4 and the West 1/2 of the East 1/2 of the Southeast 1/4; the Northwest 1/4 of the Southwest 1/4, the Northeast 1/4 of the Southwest 1/4, the Southeast 1/4 of the Southwest 1/4, the West 1/2 of the Southwest 1/4 of the Southwest 1/4, and the Northeast 1/4 of the Southwest 1/4 of the Southwest 1/4, all in Section 12.

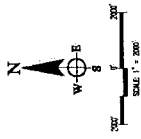
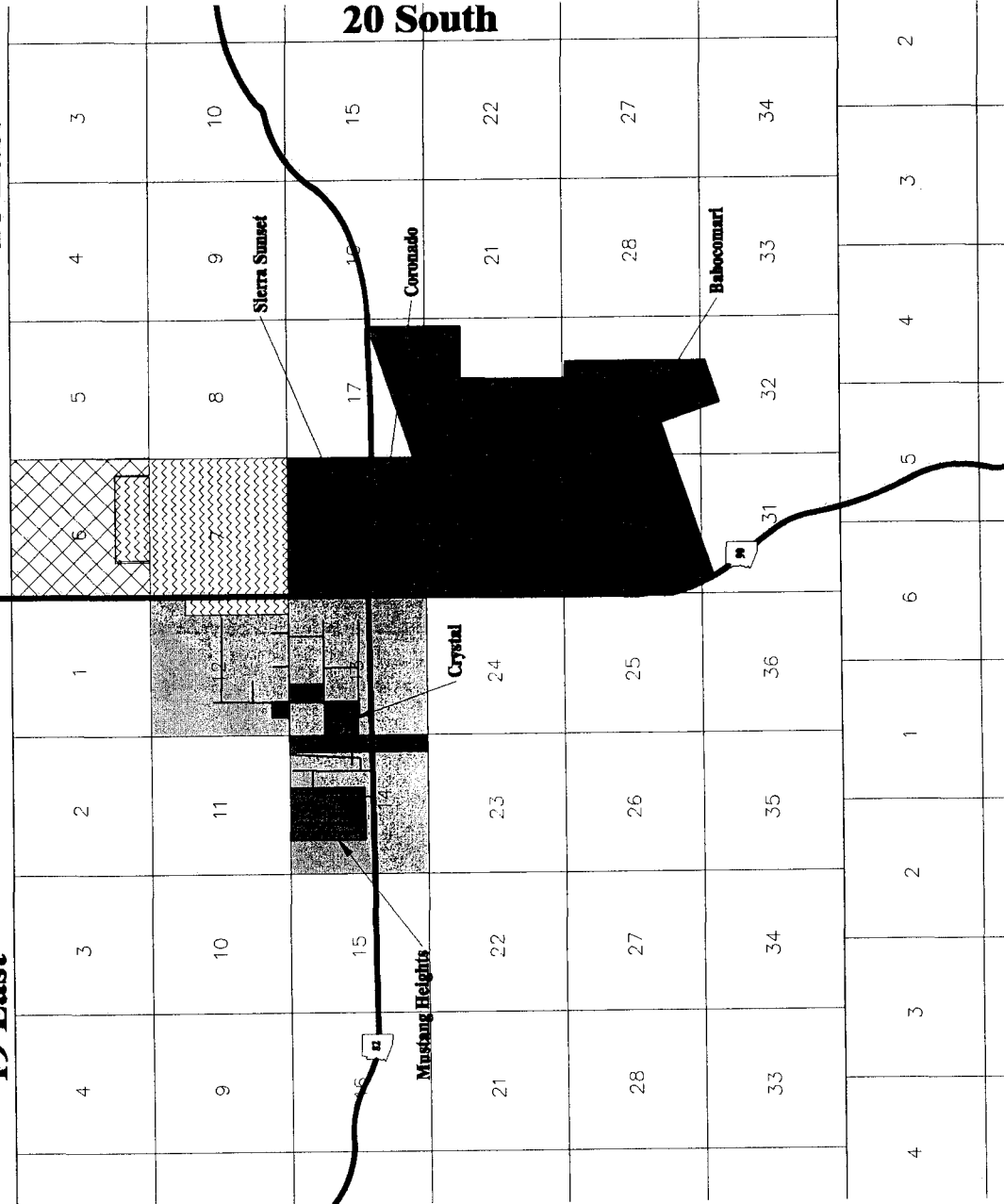
The Northwest 1/4 of the Northwest 1/4, the East 1/2 of the Northeast 1/4 of the Northwest 1/4, and the Southeast 1/4 of the Northwest 1/4; the Northeast 1/4; the Southeast 1/4; and the Southwest 1/4, all in Section 13.





The West 1/2 of the Northwest 1/4; the East 1/2 of the West 1/2 of the Northeast 1/4 and the West 1/2 of the East 1/2 of the Northeast 1/4; the West 1/2 of the Southeast 1/4 and the West 1/2 of the East 1/2 of the Southeast 1/4; and the Southwest 1/4, all in Section 14.



**19 East**

**20 East**



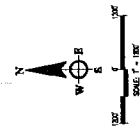
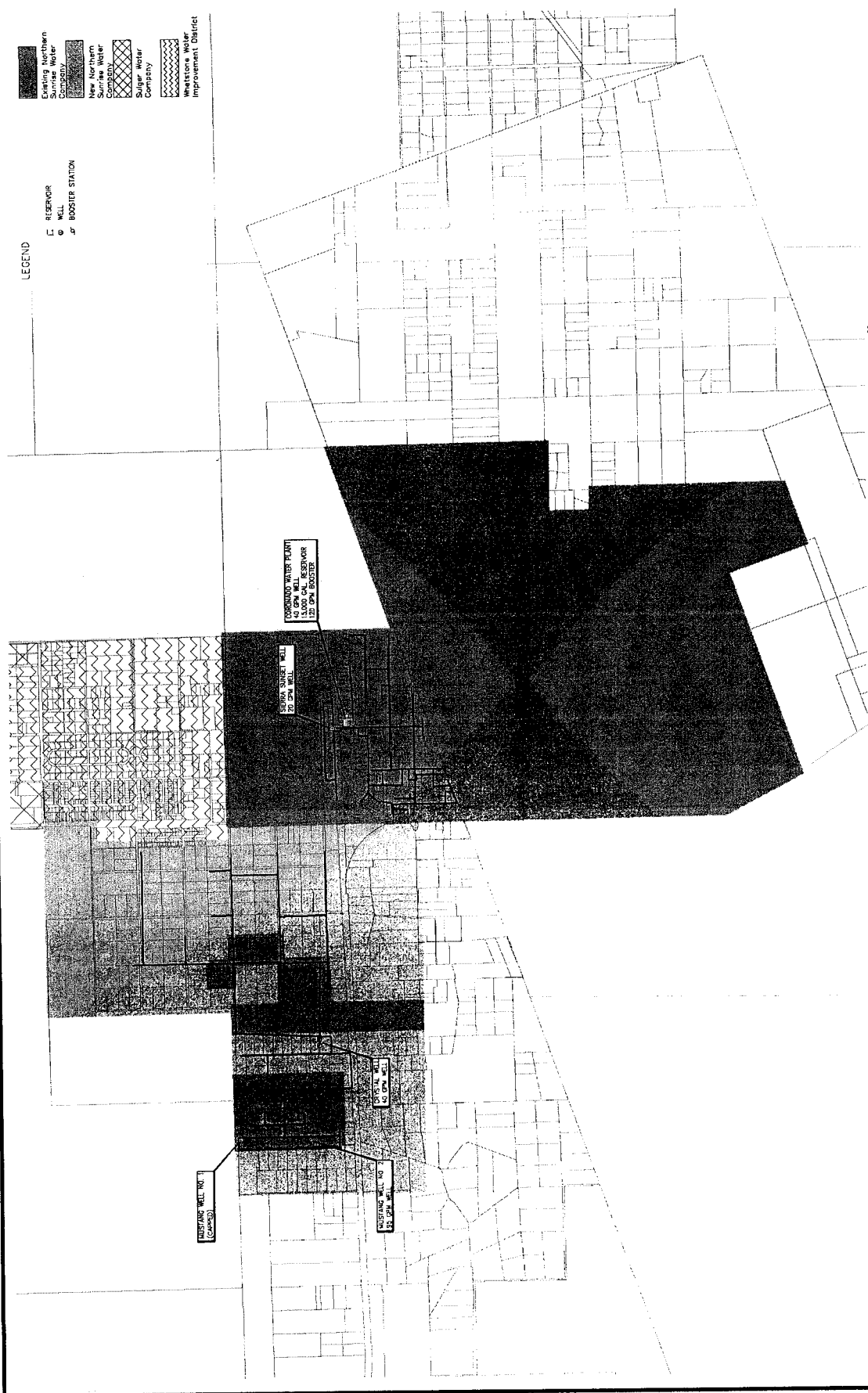
-  Existing Northern Sunrise Water Company
-  New Northern Sunrise Water Company
-  Sulger Water Company
-  Whetstone Water Improvement District

**ALCONQUIN WATER**  
**CC&N EXTENSION**  
**NORTHERN SUNRISE WATER COMPANY**



Existing Northern Sunrise Water  
 New Northern Sunrise Water Company  
 Sugar Water Company  
 Seasonal Water Improvement District

LEGEND  
 C RESERVOIR  
 M WELL  
 B BOOSTER STATION



ALGONQUIN WATER SERVICES  
 NORTHERN SUNRISE  
 WATER COMPANY

JANUARY 02, 2008

Ward and Associates Inc.  
 1234 Main Street  
 Anytown, IL 60000  
 Phone: (630) 123-4567

# **Exhibit 2**

## **Southern Sunrise Water Company - Proposed Amended Area**

- Township 23 South, Range 21 East, G. & S.R.M., Cochise County, Arizona

The Southwest 1/4 of Section 4.

The East 1/2 of the Southwest 1/4 of Section 8.

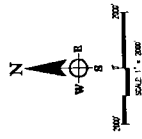
The Northwest 1/4 of Section 9.

The Southwest 1/4 of the Northwest 1/4; the Northeast 1/4; the Southeast 1/4; and the Southwest 1/4, all in Section 17.

The North 1/2 of the Northwest 1/4 of Section 20.

- Township 24 South, Range 22 East, G. & S.R.M., Cochise County, Arizona

The North 1/2 of the Northwest 1/4 of Section 6, and the North 1/2 of the Northeast 1/4 of Section 6.



**Existing Southern Sunrise Water Company**

**New Southern Sunrise Water Company**

**Bella Vista Water Company**

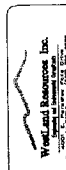
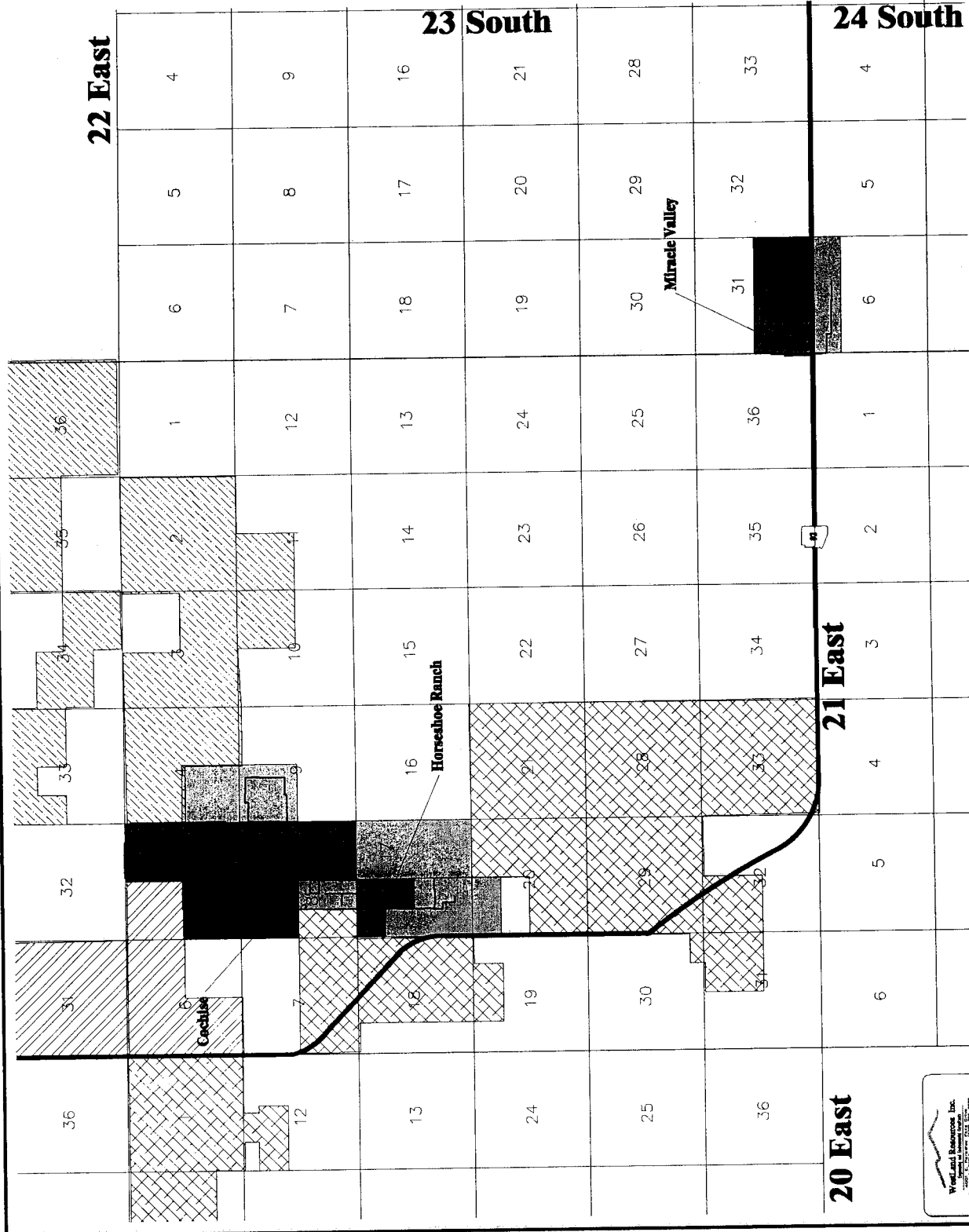
**East Slope Water Company**

**Southland Utilities Company, Inc.**

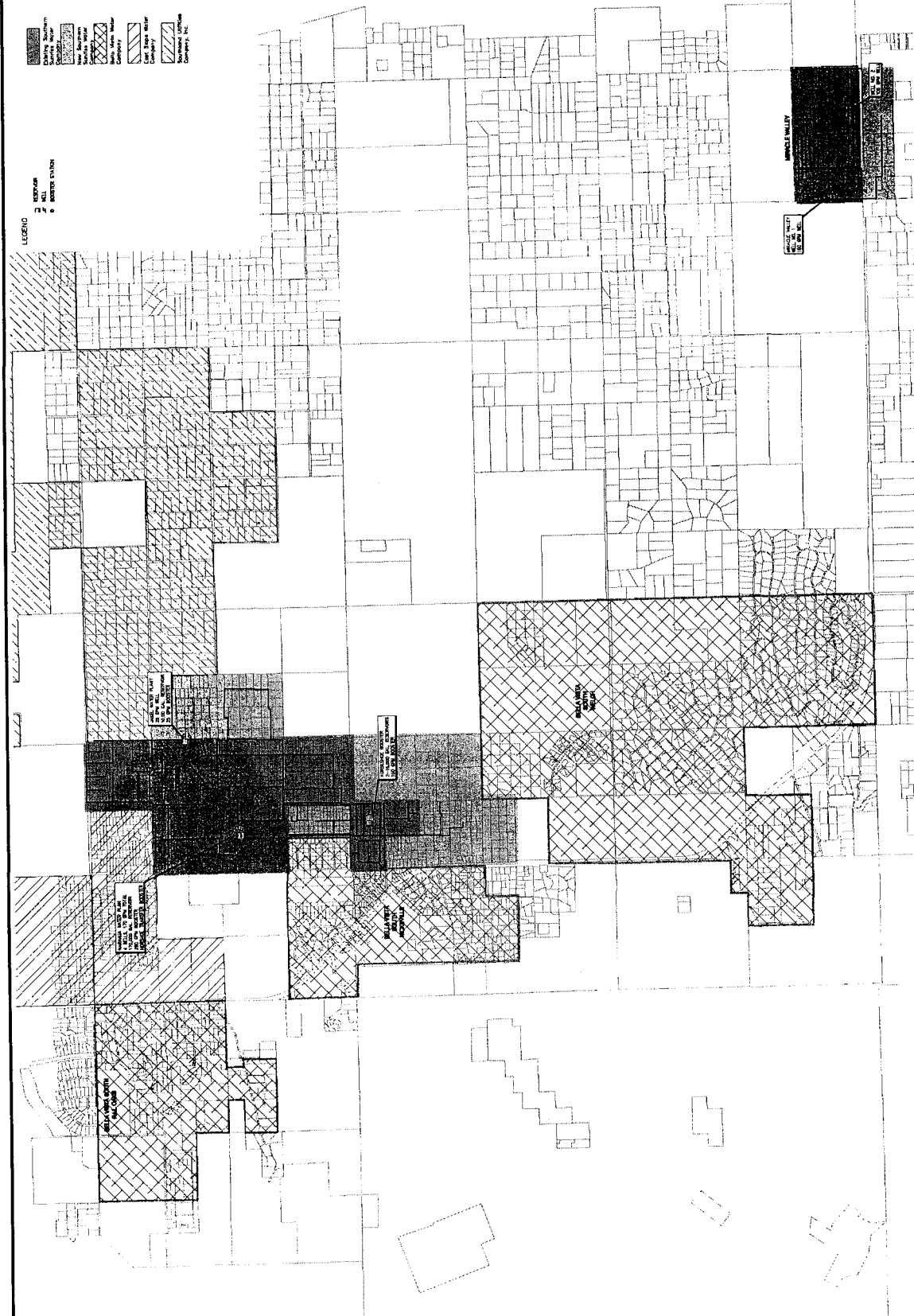
**ALGONQUIN WATER**

**CC&N EXTENSION  
SOUTHERN SUNRISE  
WATER COMPANY**

DECEMBER 18, 2007



- LEGEND**
- 1. SERVICE AREA
  - 2. MAIN LINE
  - 3. BRANCH LINE
  - 4. VALVE
  - 5. FIRE HYDRANT
  - 6. METER STATION
  - 7. WATER TOWER
  - 8. PUMP STATION
  - 9. TREATMENT PLANT
  - 10. DISTRIBUTION SYSTEM
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ALCONQUIN WATER SERVICES  
SOUTHERN SANSSE  
WATER COMPANY  
JANUARY 02, 2008

